SEI New ways. New answers.®

MONTHLY MARKET COMMENTARY | JANUARY 2021

Taking Back Control as New Year Twists and Turns

Monthly Snapshot

- The UK and EU went their separate ways upon entering the New Year, returning to distinct economic realms for the first time since the UK joined the European Communities in 1973.
- Emerging-market equities had strong performance in January, yet their developed-market counterparts were generally negative. UK shares were modestly lower for the month, while European equities had a steeper decline.
- We expect to continue seeing signs of an economic recovery emerge as COVID-19 abates and activity normalises. In the meantime, fiscal spending and accommodative central-bank policy should sustain gross domestic product growth and eventually cause inflation to rise.

January set a high bar for memorability. The UK and EU parted ways upon entering the New Year, finally fulfilling the Brexit referendum of 2016. They returned to separate political realms for the first time since 1993 (when the UK joined the EU) and distinct economic realms for the first time since 1973 (when the UK joined the European Communities).

Six days into the month, the US presidential transition took a bizarre turn as thousands of President Donald Trump's supporters gathered in Washington, DC, to protest the formal declaration of Joe Biden's victory. Trump rallied the crowd to descend on the US Capitol Building, where the historically tedious ritual of counting electoral votes in the US Congress was just getting underway. This culminated in a violent security breach of the Capitol by a mob of protesters who successfully delayed—but did not stop—the vote count, while damaging property and causing severe injury to and loss of life both for police officers and rioters.

Trump was impeached by the House of Representatives for inciting an insurrection—the first president in US history to be impeached twice. Still, perhaps the most consequential fallout of the riot was Trump's permanent ban from Twitter, his preferred mode of public communication for much of the last decade. Two weeks later, Joe Biden was inaugurated as president under heavy security provided by 25,000 National Guard troops.

Capital markets were resilient throughout the uncharted political waters that engulfed the first few weeks of January, with equity-market volatility actually declining during these events. Later in the month, however, volatility spiked as subscribers to WallStreetBets (a popular and irreverent community of equity-market speculators within the Reddit social-media sphere) triggered a classic speculative frenzy by focusing their collective trading heft on a handful of unloved shares. Several hedge fund giants were briefly paralyzed by the amateurs' coordinated trading bonanza. This shift in attention benefited smaller beleaguered shares, yet weighed on broad market indexes as it detracted from mega-cap technology shares that have been leading markets in recent years.

Emerging-market equities had strong overall performance in January, with gains in the Asia-Pacific region more than offsetting steep losses in Latin America. In developed markets, stocks were generally negative for period—excluding US small caps, which were among the best-performing equities. US large caps and Japanese equities lagged UK shares, which were modestly lower for the full month, while European equities had a steeper decline.

All references to performance are in US dollar terms unless otherwise noted. See Standardised Performance for more information.

Key Measures: January 2021

Equity		
Dow Jones Industrial Average	-1.95%	↓
S&P 500 Index	-1.01%	↓
NASDAQ Composite Index	1.44%	↑
MSCI ACWI Index (Net)	-0.45%	↓
Bond		
Bloomberg Barclays Global Aggregate Index	-0.88%	↓
Volatility		
Chicago Board Options Exchange Volatility Index PRIOR MONTH: **22.75**	33.09	↑
Oil		
WTI Cushing crude oil prices PRIOR MONTH: **$48.52**	$52.20	↑
Currencies		
Sterling vs. US dollar	$1.37	↑
Euro vs. US dollar	$1.21	↓
US dollar vs. yen	¥104.69	↑

Sources: Bloomberg, FactSet, Lipper

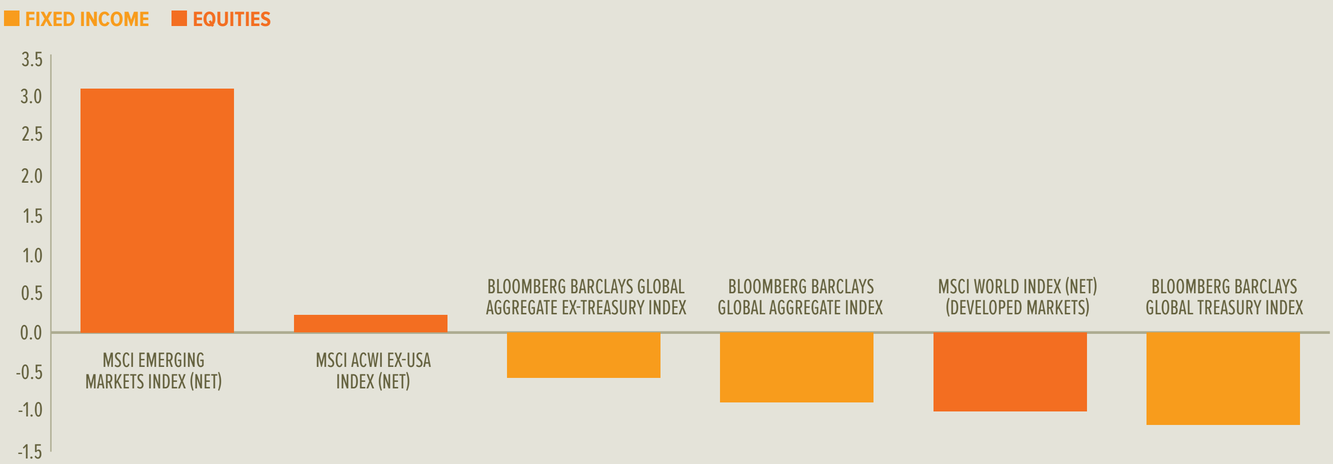
Fixed-interest sectors, with the exception of inflation-protected securities and high-yield bonds, were also down in January. US investment-grade corporate debt, global sovereign bonds and emerging-market debt had the poorest performance. Government-bond yield curves generally steepened across major developed markets for the month. UK gilt rates increased for all maturities, although more significantly for longer-term rates than shorter-term rates. Long-term eurozone government-bond rates also increased, while short-to-intermediate-term eurozone rates were mixed. US Treasury short-term rates edged downward, and intermediate-to-long-term US rates increased.

COVID-19 infection rates continued to climb around the world during January. UK daily case counts topped around New Year's Day, while the daily death toll peaked in mid-January. The US experience was roughly a week ahead of the UK on both metrics. The pandemic's foothold strengthened as new, more infectious coronavirus mutations that originated in the UK and South Africa began spreading around the globe—a disconcerting development that risked setting back timetables for a return to normal.

UK Chancellor of the Exchequer Rishi Sunak announced a one-time grant programme for hospitality, leisure and retail businesses at the beginning of January. The programme pledges to appropriate £4.6 billion for grants of up £9,000, which the treasury projected would reach 600,000 businesses.

In the US, the new Biden administration worked with the Congress to confirm top-level cabinet positions, enacted a series of COVID-19-related executive actions, and began to tackle a range of other priorities. President Biden also began promoting the "American Rescue Plan," which proposes a $1.9 trillion fiscal stimulus package that combines extended unemployment benefits and housing-related protections with tax credits for lower-to-middle-income families, along with funding for state and local governments, education, health care, small businesses and direct payments to Americans. Biden's Democratic Party holds slim majorities in both houses of the Congress and can therefore enact budget-related plans without bi-partisan support; nevertheless, as January concluded, the new administration remained open to negotiations with moderate Republicans over a potential compromise.

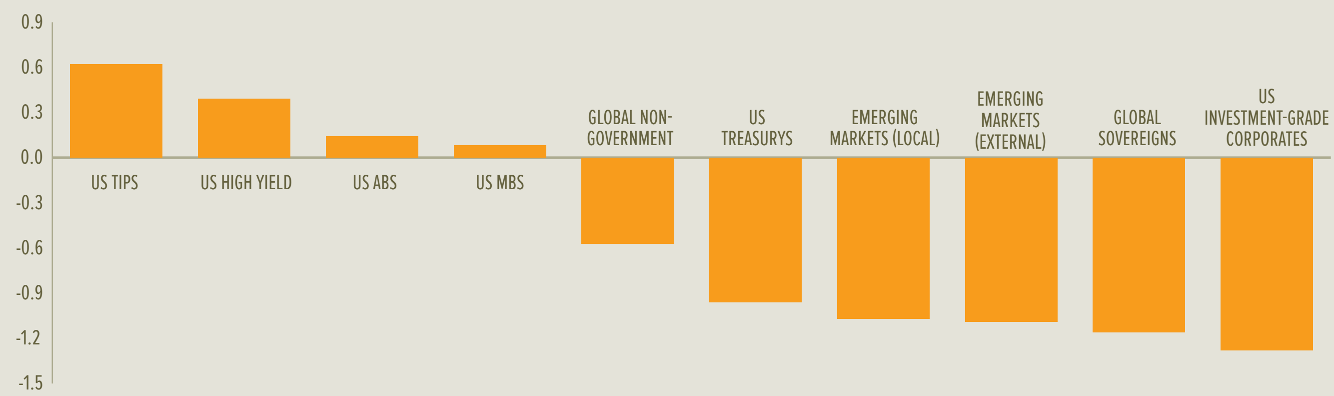
Major Index Performance in January 2021 (Percent Return)



Sources: FactSet, Lipper. See "Corresponding Indexes for Major Index Performance Exhibit" in the Index Descriptions section for more information.

All references to performance are in US dollar terms unless otherwise noted. See Standardised Performance for more information.

Fixed-Income Performance in January 2021 (Percent Return)



Sources: FactSet, Lipper. See "Corresponding Indexes for Fixed-Income Performance Exhibit" in the Index Descriptions section for more information.

Economic Data

- UK manufacturing growth weakened during January after strengthening throughout the fourth quarter. Activity in the country's services sector plummeted for the month after working its way out of a contraction in November and December. The UK claimant count (which calculates the number of people claiming Jobseeker's Allowance) increased by 0.1% to 2.6 million in December, generally in line with elevated levels that have become the norm since last spring. The broad UK economy shrank by 2.6% during November after recovering for six consecutive months.

- Eurozone manufacturing activity continued to expand at a healthy pace in January. Services sector activity remained mired in a contraction that began in September. The eurozone unemployment rate held at 8.3% during December, having edged lower in prior months from a September climb. The eurozone economy contracted by 0.7% during the fourth quarter of 2020 (after changes of -3.6%, -11.8% and 12.5% during the first, second and third quarters, respectively) and shrank by 5.1% during the 2020 calendar year.

- US manufacturing growth remained strong during January. Services sector activity returned to a high level of growth for the month after its strengthening trend was interrupted in December. New US claims for unemployment benefits were volatile, reaching nearly one million per week in early January before declining to about 850,000 toward the end of the month. The overall US economy expanded at an annualised 4.0% rate during the fourth quarter (after annualised changes of -5.0%, -31.4% and 33.4% during the first, second and third quarters, respectively) and contracted by 2.3% for the 2020 calendar year.

Central Banks

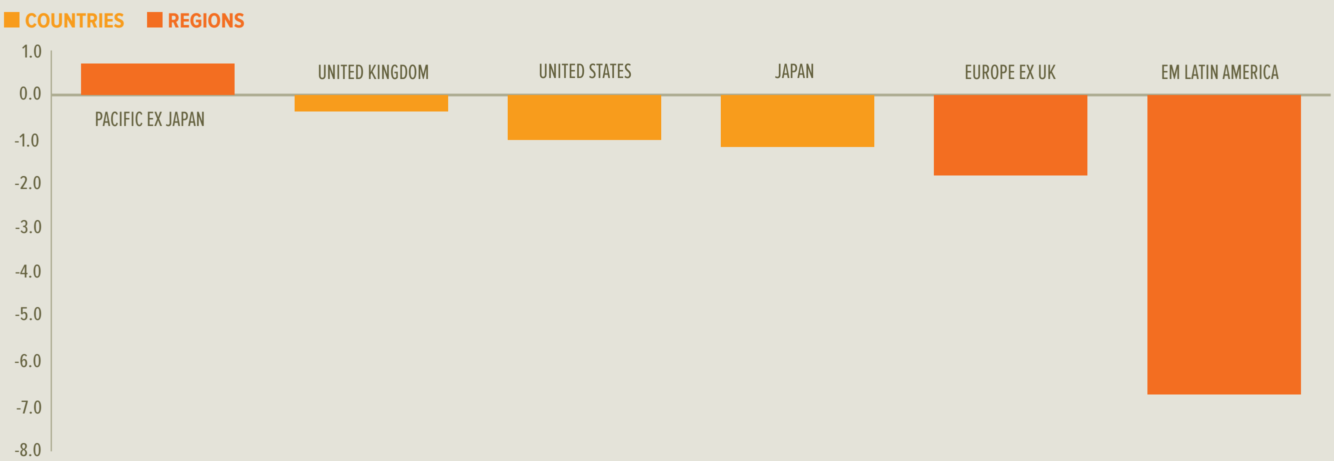
- The Bank of England's Monetary Policy Committee did not hold a meeting in January. It abstained from new actions during its mid-December meeting, having just committed in November to a new £150 billion toward bond purchases (for a total of £895 billion). Its next scheduled meeting in on 4 February.
- The US Federal Open Market Committee (FOMC) retained its existing monetary policy stance at its late January meeting. The federal-funds rate target continues to range between 0.0% and 0.25%, and the FOMC remains committed to purchasing Treasurys and agency mortgage-backed securities at respective rates of $80 billion and $40 billion per month.
- The European Central Bank (ECB) made no new monetary policy changes at its January meeting after increasing the scale of asset purchases associated with its Pandemic Emergency Purchase Programme (PEPP) by €500 billion to a total of €1.85 trillion in December.
- The Bank of Japan (BOJ) held firm at its January meeting. BOJ Governor Haruhiko Kuroda indicated to the press that a monetary policy review available in March will consider how to eventually begin unwinding the BOJ's deep market interventions since the global financial crisis.

SEI's View

We're all looking forward to a better 2021. From the looks of it, investors have already begun to set their sights beyond the valley.

Recent market chatter has hinted at the notion of a "Great Rotation" in capital markets, suggesting that investors may have begun to favour value and cyclical sectors over growth names. While there has been some evidence of

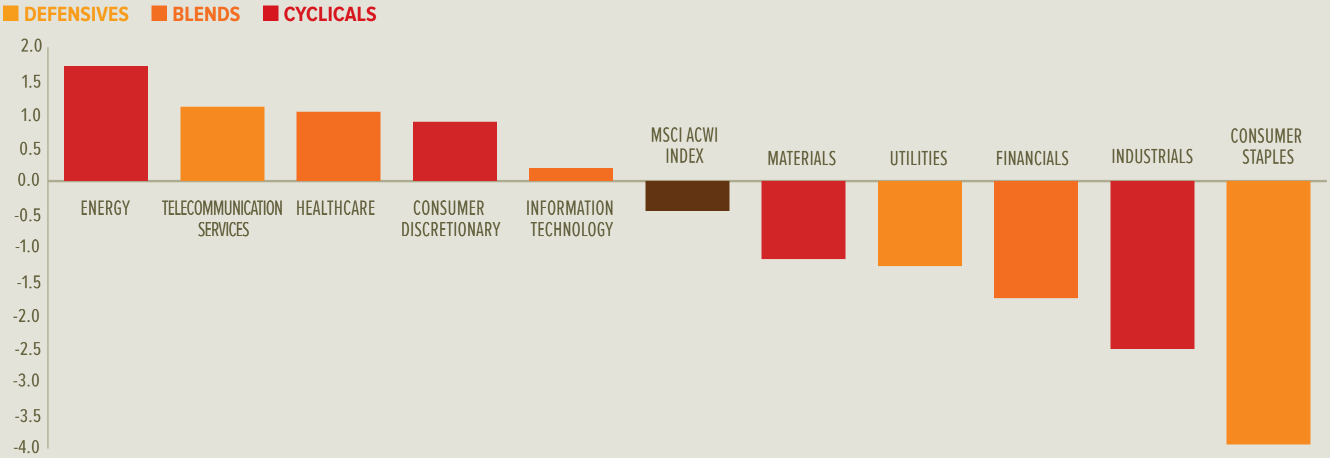
Regional Equity Performance in January 2021 (Percent Return)



Sources: FactSet, Lipper. See "Corresponding Indexes for Regional Equity Performance Exhibit" in the Index Descriptions section for more information.

All references to performance are in US dollar terms unless otherwise noted. See Standardised Performance for more information.

Global Equity Sector Performance in January 2021 (Percent Return)



Sources: FactSet, Lipper. MSCI ACWI Index Sector Components (Cyclicality determined by SEI).

this, we believe it is too early to tell if this is the beginning of a major secular shift in equity investment themes.

In our view, several signs of potential normalisation seem to support the prospect of a style regime change.

- US Treasury yields started to tick up in October. However, we would be surprised if rates moved sharply higher in 2021.
- The development of highly effective COVID-19 vaccines has helped investors shake worries about the pandemic lasting indefinitely.
- Regulatory developments across multiple jurisdictions have hinted that the dominance of large technology companies may no longer be as straightforward, long-lasting or profitable as some investors have grown accustomed.

No one knows whether these changes truly signal a Great Rotation from growth leadership to cyclical and value-oriented areas of the market. Still, we expect investors will be willing to shrug off the likely prospect of more bad news in the difficult months that lay ahead—including, for example, slowdowns or pauses in the manufacturing, distribution, administration and uptake of COVID-19 vaccines.

Politics will also come into play, with potential to act as either a tailwind or a headwind. The US Congress struggled for months to provide additional income support to the people and businesses most seriously affected by the economic disruptions caused by the virus. The lawmakers finally came up with a $900 billion compromise that is limited in scope and falls far short of what is needed. Most of the benefits are set to expire in March and April, and it does not address revenue shortfalls facing state and local governments. There's a high likelihood that the Biden administration's American Rescue Plan (or a variation thereof, pending negotiations with moderate Republicans) will succeed in getting more fiscal support to those who need it.

Policy depends on personnel, and the priorities of the Biden administration have already proven to be quite different from those of the Trump era. One of the most important nominations put forth by Biden is that of former

The memory of the European periphery debt crisis is still fresh in the minds of many policymakers who realise that pushing for fiscal austerity measures prematurely would probably be a mistake.

Federal Reserve (Fed) Chair Janet Yellen as Treasury Secretary. A close working relationship between the US Treasury and the Fed will probably be reassuring for investors in the near term since there is little doubt that the central bank will continue its extraordinary efforts to support the economic recovery in 2021.

Casting our focus across the Atlantic, the last-minute Brexit deal in December provided a Christmas gift of sorts, at least in terms of removing a degree of uncertainty. While a skinny deal is better than none, the UK's long period of intense uncertainty has continued to a degree as the deal addressed the transfer of goods but not commerce in services.

Such barriers to trade tend to introduce economic inefficiencies. Post-Brexit, therefore, UK prices will likely move a bit higher, gross domestic product (GDP) a bit lower and supply chains a bit more unreliable.

Looking at the forward price-to-earnings ratio of the MSCI United Kingdom, MSCI Europe ex-U.K. and the MSCI USA Indexes, we can see that the US market has consistently traded at a premium valuation over the past 15 years.

That premium has widened since 2017 and expanded significantly further in 2020. The other two markets have mostly traded at similar valuations to each other over time—but a major divergence began to develop in 2019 and became more pronounced in 2020.

UK equity valuations, in our opinion, reflect much of the bad news. Maybe it is time for investors to think about the things that could go right:

- First, of course, is the development and distribution of vaccines, which are expected to drive the global economy to higher ground in 2021. This should benefit the large energy, materials and industrial multinationals that make up nearly one-third of the market capitalisation of the MSCI United Kingdom Index.
- The UK also appears competitive versus other advanced countries when measured by various benchmarks, such as relative unit labour costs[1].
- The government's trade negotiators have already fanned out across the world to make sure that the UK retains the same trade agreements that it has enjoyed as a member of the EU.

Like so many other relationships in the equity market, the underperformance of the eurozone benchmark has been going on for a long time. Europe is more cyclical, value-oriented and less dynamic than the US—but that does not prohibit a rebound in performance against the US stock market at a time when the US appears to be excessively tilted toward technology stocks, the US dollar is weakening, and a global economic recovery is at hand.

The pandemic has had one good economic outcome for Europe. It finally forced Germany and other fiscal "hawks" to allow an expansion in fiscal policy. This move away from budgetary austerity should be viewed in context. Most countries have experienced a sharp rise in red ink during 2020, with the biggest deficits outside the eurozone. The Europeans probably can afford to run higher deficits than the International Monetary Fund appears to have pencilled in for 2021. The memory of the European periphery debt crisis is still fresh in the minds of many policymakers who realise that pushing for fiscal austerity measures prematurely would probably be a mistake.

[1] According to the Organisation for Economic Co-operation and Development's data on unit labour costs.

All references to performance are in US dollar terms unless otherwise noted. See Standardised Performance for more information.

On the other hand, we think there is a greater need for other countries outside the eurozone to regain control of their finances. If those countries fail to do so, Europe could be the beneficiary of investment flows that would further prop up the euro and equity valuations.

Emerging-market equities have been on a tear since they bottomed out last March[2]. However, the MSCI Emerging Markets Index is still just above its previous high-water mark recorded in January 2018. Frontier markets have fared even worse. The MSCI Frontier Emerging Markets Index (total return) has yet to surpass its most recent pre-pandemic high level recorded in January 2020[3].

Fortunately, not only has the combined firepower of global central banks prevented a liquidity crisis, it has also driven borrowing costs down to near-record lows—even as total emerging-market debt exceeds 200% of GDP[4]. Only two problem debtors—Argentina and Turkey—had to increase their interest rates in recent months to stem investment outflows. As the world returns to normal, other nations may need to raise interest rates in order to attract sufficient investment inflows to sustain their fiscal and current-account positions.

A weak US dollar is an important catalyst for emerging-markets performance. Although the currency weakened meaningfully in 2020 and pushed emerging-market equities higher, the performance of emerging markets relative to developed markets has been in a narrow range. We anticipate the coming year will see emerging equities' relative performance improve, partly because the US dollar is expected to continue to weaken.

If the world economy enjoys a durable cyclical recovery in 2021, the US dollar should indeed sink further. A recovery would also bolster the rebound in commodity prices. Commodities of all sorts have been moving sharply higher since the spring, with metals, raw industrials and foodstuffs rallying together for the first time since the 2009-to-2011 period.

As COVID-19 abates and economic activity normalises, signs of a recovery should continue to reveal themselves. In the meantime, fiscal spending and accommodative central-bank policy should sustain GDP growth and eventually cause inflation to rise. As the market prices in these developments, "long-duration" growth and expensive high-profitability stocks will likely be pressured—while momentum investors are expected to rotate into new themes, potentially adding more fuel to this nascent cyclical rally.

Commodities of all sorts have been moving sharply higher since the spring, with metals, raw industrials and foodstuffs rallying together for the first time since the 2009-to-2011 period.

[2] According to the performance of the MSCI Emerging Markets Index
[3] According to the performance of the MSCI Frontier Emerging Markets Index
[4] According to the Bank for International Settlement's statistics on debt securities

Standardised Performance

		1 year to 31-Jan-21	1 year to 31-Jan-20	1 year to 31-Jan-19	1 year to 31-Jan-18	1 year to 31-Jan-17
Key Measures						
Dow Jones Industrial Average		8.54%	15.79%	-2.19%	34.80%	23.89%
S&P 500 Index		17.25%	21.68%	-2.31%	26.41%	20.04%
NASDAQ Composite Index		44.09%	27.03%	-0.68%	33.43%	23.23%
MSCI ACWI Index (Net)		17.02%	16.04%	-7.48%	27.48%	17.93%
Bloomberg Barclays Global Aggregate Index		6.87%	6.58%	-0.88%	7.46%	2.35%
Major Index Performance						
Bloomberg Barclays Global Aggregate ex-Treasury Index		6.97%	7.76%	-1.01%	7.06%	3.00%
Bloomberg Barclays Global Aggregate Index		6.87%	6.58%	-0.88%	7.46%	2.35%
Bloomberg Barclays Global Treasury Index		6.73%	5.59%	-0.77%	7.81%	1.79%
MSCI ACWI ex-USA (Net)		13.95%	9.94%	-12.58%	29.68%	16.09%
MSCI Emerging Markets Index (Net)		27.89%	3.81%	-14.24%	41.01%	25.41%
MSCI World Index (Net)		15.45%	17.73%	-6.54%	25.83%	17.11%
Fixed-Income Performance						
US Treasury Inflation-Protected Securities (TIPS)	Bloomberg Barclays 1-10 Year U.S. TIPS Index	7.66%	7.04%	1.63%	0.38%	3.45%
Global Non-Government	Bloomberg Barclays Global Aggregate ex-Treasury Index	6.97%	7.76%	-1.01%	7.06%	3.00%
Global Sovereigns	Bloomberg Barclays Global Treasury Index	6.73%	5.59%	-0.77%	7.81%	1.79%
US Investment-Grade Corporates	Bloomberg Barclays U.S. Corporate Investment Grade Index	5.99%	14.53%	0.75%	5.08%	6.06%
US Asset-Backed Securities (ABS)	Bloomberg Barclays U.S. Asset-Backed Securities Index	3.63%	5.08%	2.55%	1.04%	1.22%
US Mortgage-Backed Securities (MBS)	Bloomberg Barclays U.S. Mortgage-Backed Securities Index	3.23%	6.25%	3.00%	1.31%	0.34%
US Treasurys	Bloomberg Barclays U.S. Treasury Index	4.42%	8.96%	2.73%	0.69%	-0.85%
US High Yield	ICE BofAML US High Yield Constrained Index	6.48%	9.39%	1.57%	6.74%	20.98%
Emerging Markets (External)	JPMorgan EMBI Global Diversified Index	2.55%	11.85%	0.01%	8.64%	11.95%
Emerging Markets (Local)	JPMorgan GBI-EM Global Diversified Index	2.92%	6.22%	-5.33%	17.72%	12.03%
Regional Equity Performance						
United Kingdom	FTSE All-Share Index	-3.69%	10.91%	-11.04%	25.78%	6.49%
EM Latin America	MSCI Emerging Markets Latin America Index (Net)	-14.82%	-3.54%	-5.09%	30.12%	47.81%
Europe ex UK	MSCI Europe ex UK Index (Net)	11.21%	14.87%	-15.08%	31.68%	9.30%
Pacific ex Japan	MSCI Pacific ex Japan Index (Net)	9.10%	8.59%	-7.41%	23.70%	24.96%
United States	S&P 500 Index	17.25%	21.68%	-2.31%	26.41%	20.04%
Japan	TOPIX, also known as the Tokyo Stock Price Index	13.87%	10.62%	-12.50%	27.12%	16.80%
Global Equity Sector Performance						
MSCI ACWI Index		17.02%	16.04%	-7.48%	27.48%	17.93%
MSCI ACWI Consumer Discretionary Index		39.42%	15.20%	-6.58%	30.05%	13.83%
MSCI ACWI Consumer Staples Index		4.21%	15.39%	-7.58%	17.78%	3.55%
MSCI ACWI Energy Index		-20.18%	-6.98%	-8.01%	13.73%	28.54%
MSCI ACWI Financials Index		-2.26%	10.17%	-14.80%	29.67%	27.68%
MSCI ACWI Healthcare Index		17.74%	15.01%	1.18%	24.26%	3.27%
MSCI ACWI Industrials Index		9.67%	14.34%	-11.43%	28.78%	22.28%
MSCI ACWI Information Technology Index		42.03%	39.87%	-5.64%	45.10%	25.49%
MSCI ACWI Materials Index		26.65%	5.46%	-14.24%	27.16%	46.73%
MSCI ACWI Telecommunication Services Index		25.14%	14.67%	-4.98%	8.42%	6.37%
MSCI ACWI Utilities Index		-2.19%	20.62%	7.14%	12.24%	5.82%

All references to performance are in US dollar terms unless otherwise noted. See Standardised Performance for more information.

Glossary of Financial Terms

Austerity: Austerity refers to measures taken by a country's government in an effort to reduce expenditures and a budget deficit.

Fiscal policy: Fiscal policy relates to decisions about government revenues and outlays, like taxation and economic stimulus.

Fiscal stimulus: Fiscal stimulus refers to government spending intended to provide economic support.

Forward price-to-earnings ratio: The forward price-to-earnings ratio is the ratio of a company's share price to its forecasted earnings over the next 12 months, which can be used to help determine whether a stock is undervalued or overvalued.

Hawk: Hawk refers to a policy advisor, for example at the Bank of England, who has a negative view of inflation and its economic impact and thus tends to favour higher interest rates.

International Monetary Fund: The International Monetary Fund is an international financial institution, whose work focuses on global monetary cooperation, securing financial stability, facilitating international trade, promoting high employment and sustainable economic growth, and reducing poverty around the world.

Monetary policy: Monetary policy relates to decisions by central banks to influence the amount of money and credit in the economy by managing the level of benchmark interest rates and the purchase or sale of securities. Central banks typically make policy decisions based on their mandates to target specific levels or ranges for inflation and employment.

Inflation-Protected Securities: Inflation-protected securities are typically indexed to an inflationary gauge to protect investors from the decline in the purchasing power of their money. The principal value of an inflation-protected security typically rises as inflation rises, while the interest payment varies with the adjusted principal value of the bond. The principal amount is typically protected so that investors do not risk receiving less than the originally invested principal.

Mortgage-Backed Securities: Mortgage-backed securities are made up of multiple mortgages packaged together into single securities. These can be comprised of commercial or residential mortgages. Agency means that the debt is guaranteed by a government-sponsored entity, while non-agency means that it is not.

Pandemic Emergency Purchase Programme (PEPP): PEPP is a temporary asset purchase programme of private and public sector securities established by the ECB to counter the risks to monetary policy transmission and the outlook for the euro area posed by the COVID-19 outbreak.

Index Descriptions

The MSCI Emerging Markets Index is a free float-adjusted market-capitalisation-weighted index designed to measure the performance of global emerging-market equities.

The MSCI Europe ex-UK Index is a free float-adjusted market-capitalization-weighted index that captures large- and mid-cap representation across developed-market countries in Europe excluding the UK.

The MSCI Frontier Emerging Markets Index is a free float-adjusted, market capitalization index designed to serve as a benchmark covering all countries from the MSCI Frontier Markets Index and the lower size spectrum of the MSCI Emerging Markets Index.

The MSCI United Kingdom Index is designed to measure the performance of the large- and mid-cap segments of the UK market.

The MSCI USA Index is designed to measure the performance of the large- and mid-cap segments of the US market.

S&P 500 Index: The S&P 500 Index is an unmanaged market-capitalisation-weighted index comprising 500 of the largest publicly-traded US companies and is considered representative of the broad US stock market.

Corresponding Indexes for Key Measures Exhibit

Dow Jones Industrial Average	The Dow Jones Industrial Average is a widely followed market indicator based on a price-weighted average of 30 blue-chip New York Stock Exchange stocks that are selected by editors of The Wall Street Journal.
NASDAQ Composite Index	The NASDAQ Composite Index is a market-value-weighted index of all common stocks listed on the National Association of Securities Dealers Automated Quotations (NASDAQ) system, representing a subset of the US equity market.
MSCI ACWI Index	The MSCI ACWI Index is a market-capitalisation-weighted index composed of over 2,000 companies, and is representative of the market structure of 46 developed- and emerging-market countries in North and South America, Europe, Africa and the Pacific Rim. The Index is calculated with net dividends reinvested in US dollars.
Bloomberg Barclays Global Aggregate Index	The Bloomberg Barclays Global Aggregate Index is an unmanaged market-capitalisation-weighted benchmark that tracks the performance of investment-grade fixed-income securities denominated in 13 currencies. The Index reflects reinvestment of all distributions and changes in market prices.
Chicago Board Options Exchange Volatility Index (VIX)	The Chicago Board Options Exchange Volatility Index (VIX) tracks the expected volatility in the S&P 500 Index over the next 30 days. A higher number indicates greater volatility.

Corresponding Indexes for Major Index Performance Exhibit

MSCI ACWI ex-USA Index	The MSCI ACWI ex-USA Index includes both developed- and emerging-market countries, excluding the US.
MSCI Emerging Markets Index	The MSCI Emerging Markets Index is a free float-adjusted market-capitalisation-weighted index designed to measure the performance of global emerging-market equities.
MSCI World Index	The MSCI World Index is a free float-adjusted market-capitalisation-weighted index that is designed to measure the equity market performance of developed markets.
Bloomberg Barclays Global Aggregate Index	The Bloomberg Barclays Global Aggregate Index is an unmanaged market-capitalisation-weighted benchmark that tracks the performance of investment-grade fixed-income securities denominated in 13 currencies. The Index reflects reinvestment of all distributions and changes in market prices.
Bloomberg Barclays Global Aggregate ex-Treasury Index	The Bloomberg Barclays Global Aggregate ex-Treasury Index is an unmanaged market index representative of the total return performance of ex-Treasury major world bond markets.
Bloomberg Barclays Global Treasury Index	The Bloomberg Barclays Global Treasury Index is composed of those securities included in the Bloomberg Barclays Global Aggregate Index that are Treasury securities.

Corresponding Indexes for Fixed-Income Performance Exhibit

US High Yield	ICE BofA U.S. High Yield Constrained Index
Global Sovereigns	Bloomberg Barclays Global Treasury Index
Global Non-Government	Bloomberg Barclays Global Aggregate ex-Treasury Index
Emerging Markets (Local)	JPMorgan GBI-EM Global Diversified Index
Emerging Markets (External)	JPMorgan EMBI Global Diversified Index
US Mortgage-Backed Securities (MBS)	Bloomberg Barclays U.S. Mortgage Backed Securities Index
US Asset-Backed Securities (ABS)	Bloomberg Barclays U.S. Asset-Backed Securities Index
US Treasurys	Bloomberg Barclays U.S. Treasury Index
US Treasury Inflation-Protected Securities (TIPS)	Bloomberg Barclays 1-10 Year U.S. TIPS Index
US Investment-Grade Corporates	Bloomberg Barclays U.S. Corporate Bond Index

Corresponding Indexes for Regional Equity Performance Exhibit

United States	S&P 500 Index
United Kingdom	FTSE All-Share Index
Pacific ex Japan	MSCI Pacific ex Japan Index (Net)
Japan	TOPIX, also known as the Tokyo Stock Price Index
Europe ex UK	MSCI Europe ex UK Index (Net)
EM Latin America	MSCI Emerging Markets Latin America Index (Net)

All references to performance are in US dollar terms unless otherwise noted. See Standardised Performance for more information.

Important Information

Data refers to past performance. Past performance is not a reliable indicator of future results.

Investments in SEI Funds are generally medium- to long-term investments. The value of an investment and any income from it can go down as well as up. Investors may get back less than the original amount invested. Returns may increase or decrease as a result of currency fluctuations. Additionally, this investment may not be suitable for everyone. If you should have any doubt whether it is suitable for you, you should obtain expert advice.

No offer of any security is made hereby. Recipients of this information who intend to apply for shares in any SEI Fund are reminded that any such application may be made solely on the basis of the information contained in the Prospectus. This material represents an assessment of the market environment at a specific point in time and is not intended to be a forecast of future events, or a guarantee of future results. This information should not be relied upon by the reader as research or investment advice regarding the funds or any stock in particular, nor should it be construed as a recommendation to purchase or sell a security, including futures contracts.

In addition to the normal risks associated with equity investing, international investments may involve risk of capital loss from unfavourable fluctuation in currency values, from differences in generally accepted accounting principles or from economic or political instability in other nations. Bonds and bond funds are subject to interest rate risk and will decline in value as interest rates rise. High yield bonds involve greater risks of default or downgrade and are more volatile than investment grade securities, due to the speculative nature of their investments. Narrowly focused investments and smaller companies typically exhibit higher volatility. SEI Funds may use derivative instruments such as futures, forwards, options, swaps, contracts for differences, credit derivatives, caps, floors and currency forward contracts. These instruments may be used for hedging purposes and/or investment purposes.

While considerable care has been taken to ensure the information contained within this document is accurate and up-to-date, no warranty is given as to the accuracy or completeness of any information and no liability is accepted for any errors or omissions in such information or any action taken on the basis of this information.

This information is issued by SEI Investments (Europe) Limited, 1st Floor, Alphabeta, 14-18 Finsbury Square, London EC2A 1BR which is authorised and regulated by the Financial Conduct Authority. Please refer to our latest Full Prospectus (which includes information in relation to the use of derivatives and the risks associated with the use of derivative instruments), Key Investor Information Documents and latest Annual or Semi-Annual Reports for more information on our funds. This information can be obtained by contacting your Financial Adviser or using the contact details shown above.

SEI sources data directly from FactSet, Lipper, and BlackRock, unless otherwise stated.

The opinions and views in this commentary are of SEI only and should not be construed as investment advice.

210172.01 IMU UK (02/21)